

F & M FINANCIAL CORPORATION

| | CPP Disbursement Date 02/06/2009 | RSSD (Holding Company) 1076619 | Number of Insured Depository Institutions 1 | | |
|---|-------------------------------------|-----------------------------------|---|------|----|
| | | | | | |
| Selected balance and off-balance sheet items | 2010 \$ millions | 2011 \$ millions | %chg from prev | | |
| Assets | \$657 | \$570 | -13.2% | | |
| Loans | \$518 | \$455 | -12.1% | | |
| Construction & development | \$100 | \$83 | -17.0% | | |
| Closed-end 1-4 family residential | \$134 | \$125 | -6.5% | | |
| Home equity | \$75 | \$70 | -7.0% | | |
| Credit card | \$0 | \$0 | | | |
| Other consumer | \$4 | \$2 | -45.4% | | |
| Commercial & Industrial | \$30 | \$26 | -16.2% | | |
| Commercial real estate | \$164 | \$142 | -13.8% | | |
| | | | | | |
| Unused commitments | \$111 | \$107 | -4.0% | | |
| Securitization outstanding principal | \$0 | \$0 | | | |
| Mortgage-backed securities (GSE and private issue) | \$0 | \$0 | | | |
| Asset-backed securities | \$0 | \$0 | | | |
| Other securities | \$26 | \$22 | -15.2% | | |
| Cash & balances due | \$79 | \$62 | -20.9% | | |
| | | | | | |
| Residential mortgage originations | | | | | |
| Closed-end mortgage originated for sale (quarter) | \$25 | \$11 | -55.3% | | |
| Open-end HELOC originated for sale (quarter) | \$0 | \$0 | | | |
| Closed-end mortgage originations sold (quarter) | \$27 | \$11 | -58.4% | | |
| Open-end HELOC originations sold (quarter) | \$0 | \$0 | | | |
| | | | | | |
| Liabilities | \$583 | \$496 | -15.0% | | |
| Deposits | \$508 | \$435 | -14.4% | | |
| Total other borrowings | \$71 | \$57 | -20.0% | | |
| FHLB advances | \$56 | \$47 | -16.1% | | |
| | | | | | |
| Equity | | | | | |
| Equity capital at quarter end | \$74 | \$74 | 0.4% | | |
| Stock sales and transactions with parent holding company (cumulative through calendar year) | \$0 | \$0 | NA | | |
| | | | | | |
| Performance Ratios | | | | | |
| Tier 1 leverage ratio | 11.2% | 12.7% | -- | | |
| Tier 1 risk based capital ratio | 14.6% | 16.9% | -- | | |
| Total risk based capital ratio | 15.9% | 18.2% | -- | | |
| Return on equity ¹ | 4.2% | 2.8% | -- | | |
| Return on assets ¹ | 0.5% | 0.4% | -- | | |
| Net interest margin ¹ | 4.1% | 4.1% | -- | | |
| Coverage ratio {(ALLL+Alloc transfer risk)/Noncurrent loans}} | 23.0% | 28.6% | -- | | |
| Loss provision to net charge-offs (qtr) | 47.9% | 94.6% | -- | | |
| Net charge-offs to average loans and leases ¹ | 4.1% | 1.9% | -- | | |
| ¹ Quarterly, annualized. | | | | | |
| | | | | | |
| | Noncurrent Loans | | Gross Charge-Offs | | |
| Asset Quality (% of Total Loan Type) | 2010 | 2011 | 2010 | 2011 | |
| Construction & development | 25.4% | 30.9% | 3.3% | 1.9% | -- |
| Closed-end 1-4 family residential | 4.8% | 3.5% | 0.5% | 0.2% | -- |
| Home equity | 2.2% | 2.6% | 0.5% | 0.2% | -- |
| Credit card | 0.0% | 0.0% | 0.0% | 0.0% | -- |
| Other consumer | 1.0% | 0.2% | 1.0% | 0.9% | -- |
| Commercial & Industrial | 2.1% | 0.4% | 0.1% | 0.3% | -- |
| Commercial real estate | 8.1% | 3.2% | 0.6% | 0.1% | -- |
| Total loans | 9.2% | 8.1% | 1.0% | 0.5% | -- |